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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
6

7  
8 *Ex parte* MARK LANDESMANN  
9

10  
11 Appeal 2009-000421  
12 Application 09/888,439  
13 Technology Center 3600  
14

15  
16 Decided: August 17, 2009  
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18  
19 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
20 ANTON W. FETTING, *Administrative Patent Judges*.  
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

23  
24 An Oral Hearing was held on July 8, 2009.

STATEMENT OF THE CASE

Mark Landesmann (Appellant) seeks review under 35 U.S.C. § 134 of a final rejection of claims 1, 10-13, 47-49, 51-52, 64-65, 68, 94, 100-103, 137-139, 141-142, 154-155, 158, 204, 206, 207- 238, 246, 250, 252-290, 298, 302, 304-339, 347, 351, and 353-357. These, along with claims 239-245, 247-249, 251, 291, 297, 299-301, 303, 340-346, 348-350, and 352 which are withdrawn from consideration are the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION<sup>1</sup>

We AFFIRM-IN-PART.

THE INVENTION

The Appellant's invention, comprises a method for buyer-driven targeting comprising the steps of: separately receiving for each of a plurality of buyer entities a respective third party proof of purchase record; entering information from the received proof of purchase records into a searchable electronic database; obtaining search criteria for the database; searching the

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<sup>1</sup> Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed January 18, 2008) and Reply Brief ("Reply Br.," filed April 16, 2008), and the Examiner's Answer ("Ans.," mailed April 16, 2008).

information in the database using the search criteria to obtain a group of buyer entities; and providing an incentive to each of a plurality of the buyer entities in said group. Specification 6:¶ 0020.

There are seven independent claims. Claim 207 is the broadest of the independent method claims. Independent claims 259 and 308 are drawn to a computer program product and a system for performing the method in claim 207. Independent method claim 1, essentially contains the limitations of claim 207, plus most of the limitations added by dependent claims 208-228. Independent claims 94 and 204 are drawn to a computer program product and a system for performing the method in claim 1. Independent method claim 206 is the narrowest of the independent claims.

An understanding of the invention can be derived from a reading of the independent method claims 207 and 1, which are reproduced below [bracketed matter and some paragraphing added]. Claim 207 is a broader form of claim 1. The remaining independent claims are variants of these claims expressed as a system or as a computer program product.

207. A method for buyer-driven targeting by a system comprising:

[1] receiving data

from each of a plurality of buyer entities

comprising at least one respective third party purchase record or information derived therefrom;

[2] electronically storing information associated with the data;

[3] for a plurality of product or service items offered for sale,

wherein each different item in the plurality of items is either manufactured or marketed or distributed or provided by a different third party advertiser in a plurality of third party advertisers,

electronically making with respect to at least one of the  
buyer entities,  
based at least in part on the data,  
at least one decision associated with the offering of  
at least one from among a plurality of different  
incentives,  
with each incentive associated with at least one of  
the product or service items and associated with at  
least one of the third party advertisers,  
wherein there is at least one different incentive  
from each of a plurality of the different third party  
advertisers,  
each of the incentives offering at least one benefit  
in exchange for at least one action associated with  
a purchase of at least one of the items; and  
[4] facilitating the offering of at least one of the incentives to  
the buyer entity,  
with the condition precedent for this operation that the  
system has received from that buyer entity the at least  
one respective third party purchase record or information  
verifiably derived therefrom.

1. A method for buyer-driven targeting by a system comprising:

[1] receiving

from each of a plurality of buyer entities  
at least one respective third party purchase record or  
information derived therefrom, said purchase record or  
information derived therefrom comprising  
data associated with the purchase of products or  
services  
for which the payment was not carried out by the  
system,  
wherein the receipt of the third party purchase record or  
information derived therefrom occurs

1                               on the initiative and with the consent of the buyer  
2                               entity associated with that purchase record;  
3       [2] electronically storing information associated with said data;  
4       [3] for a plurality of product or service items offered for sale,  
5                               wherein each different item in said plurality of  
6                               items is either manufactured or marketed or  
7                               distributed or provided by a different third party  
8                               advertiser in a plurality of third party advertisers,  
9                               and  
10                              wherein said manufacture, marketing, distribution,  
11                              point of sale payment or provision of the product  
12                              or service is not carried out by the system in the  
13                              ordinary course of business,  
14       electronically making with respect to at least one of said  
15       buyer entities,  
16                              based at least in part on said data,  
17       at least one decision associated with the offering  
18                              of at least one from among a plurality of  
19                              different preferential incentives,  
20                              with each incentive  
21                                       associated with at least one of said  
22                                       product or service items and  
23                                       associated with at least one of the  
24                                       third party advertisers,  
25       wherein there is at least one different  
26       preferential incentive from each of a  
27       plurality of the different third party  
28       advertisers,  
29                              each of said incentives offering at  
30                              least one benefit in exchange for at  
31                              least one action associated with a  
32                              purchase of at least one of said items,  
33                              said benefit not normally and publicly  
34                              accessible to said buyer entity or other

1                                    buyer entities in the same geographic  
2                                    region on terms  
3                                    which are at least objectively  
4                                    equivalent, and  
5                                    which do not include material  
6                                    conditions that are different  
7                                    from said at least one action,  
8                                    said decision regarding the at least one incentive  
9                                    that is to be offered to the buyer entity being based  
10                                    at least in part on  
11                                    stored information associated with the data  
12                                    relating to a purchase  
13                                    made by said buyer entity  
14                                    with a merchant other than the third  
15                                    party advertiser that is associated with  
16                                    the incentive; and  
17                                    [4] facilitating the offering of at least one of said preferential  
18                                    incentives to said buyer entity,  
19                                    without having transferred to said third party advertiser  
20                                    any full name  
21                                    associated with said buyer entity at the time that  
22                                    the incentive is offered  
23                                    but has not yet been responded to by said buyer  
24                                    entity,  
25                                    with the condition precedent for this step  
26                                    that the system has received from that buyer entity  
27                                    the at least one respective third party purchase  
28                                    record or information verifiably derived therefrom.  
29

## 30                                    THE REJECTIONS

31                                    The Examiner relies upon the following prior art:

         Weinblatt      US 5,515,270                    May 7, 1996

|           |                 |               |
|-----------|-----------------|---------------|
| Dedrick   | US 5,717,923    | Feb. 10, 1998 |
| Goldhaber | US 5,855,008    | Dec. 29, 1998 |
| Walker    | US 6,434,534 B1 | Aug. 13, 2002 |
| Day       | US 6,484,146 B2 | Nov. 19, 2002 |

Claims 1, 10-13, 47-49, 51-52, 64-65, 94, 100-103, 137-139, 141-142, 154-155, 204, 207-230, 232-238, 246, 250, 255, 259-282, 284-290, 298, 302, 308-331, 333-339, 347, and 351 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day.

Claims 68 and 158 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and Dedrick.

Claims 206, 231, 252-254, 256-258, 283, 304-306, 307, 308-310, 332, 353-355, 356, and 357-359 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art.

## ARGUMENTS

*Claims 1, 10-13, 47-49, 51-52, 64-65, 94, 100-103, 137-139, 141-142, 154-155, 204, 207-230, 232-238, 246, 250, 255, 259-282, 284-290, 298, 302, 308-331, 333-339, 347, and 351 rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day.*

### Independent Claims 207, 259 and 308

The Appellant argues these claims as a group. App. Br. 33-34. The Appellant argues that the references do not disclose the submission of third



party purchase records by buyer entities within step [1], nor receiving step [1] or facilitating step [4].

*Independent Claims 1, 94, and 204*

The Appellant argues these claims as a group. App. Br. 14. The Appellant argues that (1) Goldhaber does not disclose the receiving step [1] (App. Br. 19-21); (2) Weinblatt does not remedy the third party purchase record deficiency of Goldhaber (App. Br. 21-23); and (3) none of Goldhaber, Weinblatt nor Day disclose or suggest the decision step [3] or the offering step [4] (App. Br. 24-30).

*Dependent Claims*

The Appellant argues claims 10-13, 47-49, 51, 52, 64, 65, 229, 230, 232, 234-237, 246, and 250 individually, grouping some of those claims with other dependent claims.

*Claims 68 and 158 rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and Dedrick.*

These claims depend from claims 13 and 103. The Appellant argues the art does not describe calculating a charge for providing the incentive based on both the size of a group of buyer entities, resulting from a search of the stored data and the scores of the buyer entities. App. Br. 36.

*Claims 206, 231, 252-254, 256-258, 283, 304-306, 307, 308-310, 332, 353-355, 356, and 357-359 rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art.*

*Independent Claim 206*

1 The Appellant argues that (1) claim 206 contains the limitations as in  
2 claim 1 and is patentable for the same reasons and (2) that none of the art  
3 describes the limitation of gathering buyer information by automatically  
4 accessing web-based online buyer accounts using buyer passwords and  
5 usernames. App. Br. 40-42.

6 The remaining are all dependent claims. The Appellant argues  
7 limitations in claims 231, 252-254, 256-258, 283, 304-306, 308-310, 332,  
8 353-355, and 357-359.

### 9 ISSUES

10 The issues of whether the Appellant has sustained its burden of showing  
11 that the Examiner erred in rejecting the claims turns on whether the prior art  
12 describes the limitations argued by the Appellant within the scope of the  
13 claims as broadly construed and whether one of ordinary skill would have  
14 considered the teachings of Weinblatt and Day in practicing the invention in  
15 Goldhaber.

### 16 FACTS PERTINENT TO THE ISSUES

17 The following enumerated Findings of Fact (FF) are believed to be  
18 supported by a preponderance of the evidence.

#### 19 20 21 *Facts Related to Claim Construction*

22 01. The disclosure contains no lexicographic definition of “third  
23 party purchase record” but does refer to purchases listed from a

plurality of independent third parties in the proof of purchase records. Spec. ¶ 0027.

*Facts Related to Appellant's Disclosure*

02. One of the current efforts in prior art practice at the time of filing by businesses to capture or infer information about a buyer entity's purchases with other companies was establishing a network of non-competing vendors who share information with each other about a customer's past purchases, and who sell this information to other non-competing businesses. Spec. ¶ 0007-09.

03. Advertising messages can be delivered or made accessible to buyer entities thru any distribution channel including the following channels or a combination thereof: by Email, Direct Postal Mail (for single promotional mailings as well as catalogues containing multiple incentive offers), messages sent to wireless devices such as cell phones, pagers and PDA's (personal digital assistants), on a central web site, thru banner ads that are served at multiple web sites, thru the use of interactive television, thru interactive kiosk's, by telephone and thru other channels. Spec. 35: ¶ 0178.

*Goldhaber*

04. Goldhaber is directed to delivering information electronically, and more particularly, positively and negatively priced advertising. Goldhaber 1:8-11.

05. *Goldhaber's user profiles.* Goldhaber's system links an ad and the appropriate viewer by applying private, dynamic, and interactive demographic profiles of potential viewers. Goldhaber protects member privacy while maintaining the personal information files for specialized targeting of ads. While many businesses keep such profiles of customer interests and transactions, Goldhaber's profiles can be used and even marketed while protecting the customer's identity. For example, a merchant may be permitted to scan a profile to determine his affinity for the customer, but cannot learn the customer's name or address. The demographic profiles are constructed from interest questionnaires and electronic tracking of his/her usage of the service, evolving with the customer's transaction history. A customer can exclude any transaction, such as purchasing of certain products from his profile. A customer may edit his profile at any time to add or delete interest features, and to delete any transaction records. Goldhaber 6:28-60. Goldhaber develops a consumer profile in two steps. First, a consumer pro-actively describes him or herself to form a "base profile." Then the consumer's actions are monitored, such that a representation is "overlaid" upon the self description. Goldhaber can also generate a base profile from historical data as well as self description. Goldhaber 7:11-22.

1           06. *Editing Goldhaber's profiles.* Goldhaber allows the customer  
2           to edit and update their profile at any time. Goldhaber 13:45. If  
3           the consumer selects Goldhaber's profile edit screen, the  
4           consumer computer displays a plain-text representation of the  
5           consumer's interest profile and allows the consumer to edit the  
6           profile, add or delete items. Goldhaber 19:1-4. If the consumer  
7           selects Goldhaber's history screen, the consumer computer  
8           displays the contents of account history and permits the consumer  
9           to delete items. Goldhaber 19:11-14.

10          07. *Goldhaber's financial clearinghouse for payment.* Goldhaber  
11          describes using a financial clearinghouse for performing financial  
12          transactions and may maintain account or transaction information  
13          for each of the consumers, and may be responsible for assuring  
14          that consumers pay for content delivered to them and are  
15          compensated for paying attention to other information content  
16          delivered to them. Goldhaber 10:1-8. The payment transactions  
17          may be handled through an account debit or credit via the  
18          financial clearinghouse. Goldhaber 10:58-61.

19          08. *Goldhaber's attention broker and trading house.* Goldhaber  
20          describes two variations of its invention implemented on a server,  
21          an attention broker and a trading house. Goldhaber 10: 63-65.  
22          Attention brokerage is the business of buying and selling  
23          (brokering) the "attention" of consumers, that establishes a market  
24          for advertisers to compete for the attention of consumers.  
25          Goldhaber 4:46-50. A trading house includes the buying and  
26          selling of arbitrary goods and services (including information)

1 over an electronic network. With the trading house, the  
2 consumer's software agent may carry specific search buy/sell  
3 instructions issued by the consumer, and the purveyors of items  
4 and information for "sale" can also be represented by software  
5 agents (called "salesmen") that actively seek out interested buyers.  
6 Goldhaber 19:21-35.

7 09. *Goldhaber's software agents as individual subsystems.*

8 Goldhaber's consumer interest profiles may be stored at consumer  
9 computers and/or at attention brokerage servers. In either case,  
10 the consumer's interests are represented by one or more software  
11 agents that stand in for the consumer even when the consumer's  
12 computer is turned off. These software agents can "live"  
13 anywhere in system. The function of the software agent is to  
14 screen or filter ads or other forms of information against the  
15 consumer interest profiles. When a customer signs up, Goldhaber  
16 builds a personal agent for the customer that works around the  
17 clock, searching out and screening new ads that match interests.  
18 Goldhaber also provides a salesman agent, to search out interested  
19 viewers and bring ads to their attention. Goldhaber 14:47 – 15:15.

20 10. *Goldhaber's negative pricing incentive.* Goldhaber describes  
21 its use of negative pricing by which advertisers compete for  
22 available attention. Advertisers may make fixed offers that  
23 viewers select, or may use attention bidding, a mechanism by  
24 which advertisers actively compete by bidding for a viewer's  
25 attention based on consumer interest estimates derived from  
26 access to the viewer's electronic profiles detailing preferences and

past consuming behavior. Goldhaber 4:52-62. All the ads on Goldhaber's list are targeted to the consumer's needs, interests, and preferences. Further, Goldhaber provides cash incentives to view ads. Goldhaber 5:31-35. Alternatively, Goldhaber may provide some other incentive such as a coupon. Goldhaber 11:13-14; 27-31.

11. *Goldhaber's description of existing practice.* Goldhaber describes how advertisers give consumers an incentive such as money saving coupons and discount offers. For example, a lingerie company can provide coupons or discount sales offers to give the recipients a strong incentive to purchase the company's lingerie. Goldhaber 3:30-40.

12. *Goldhaber's customization.* Goldhaber designs ads virtually custom-fitted to consumer preferences, so that ad messages are welcomed and attentively viewed by the consumer. Finely targeting and customizing ads based on the interests of particular individual consumers maximizes efficiency and benefits both the advertisers and the consumers. Goldhaber 5:3-10.

13. Goldhaber describes various forms of distribution via internet, cable TV, on-line systems, local-area networks, wide-area networks, and physically distributed CD-ROMs. Goldhaber 21:10-16.

*Weinblatt*

14. Weinblatt is directed to obtaining and storing information on the purchasing behavior of a consumer as well as advertisements to which the consumer has been exposed. Weinblatt 4:5-7.

15. Weinblatt describes how consumers are rewarded as part of consumer monitoring. The value of the reward to the consumer is enhanced if it is targeted by customizing the reward to the purchases that have been made. Weinblatt 2:51 – 3:5.

16. Weinblatt describes several methods for obtaining customer purchase data via in store computer system, including entering by swiping or keying in a card. Weinblatt 2:12-17.

*Day*

17. Day is directed to a paperless coupon system which tracks consumer purchasing behavior. Day's system presents special promotional offers to customers that include customized targeted offers for specific customers. Day 3:19-22.

18. A determination is made whether a household has redeemed a special offer up to the maximum quantity for which the special offer was available. If so, the household will not see that special offer again unless the manufacturer reinstates it. After a check-out transaction is completed, and a sale is closed, the shopping history of the customer is updated, to reflect all purchases made by the customer. A determination can be made as to whether the customer accepted a special offer, passed on the special offer (did not make a purchase of any product for the category), or rejected



the special offer (purchased a competitor's product). Day 14:54-64.

19. Day can automatically increase the value of a special offer available to a customer for a product if the customer previously did not purchase that product offering a discount for that product to the customer. Day 7:66 – 8:6.

20. Day describes using targeting parameters to decide on offers. These parameters are applied to information on potential customers. Day 4:18-31.

*Dedrick*

21. Dedrick is directed to dynamically customizing information. Dedrick 2:3-5.

22. Dedrick's system compiles aggregate information during statistical compilation when requested for gathering metrics. Dedrick 5:20-32.

*Facts Related To The Level Of Skill In The Art*

23. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, sales promotions or design of sales and promotional systems. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error ‘where the prior art itself reflects an appropriate level and a need for testimony is not

shown”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

*Facts Related To Secondary Considerations*

24. There are five affidavits submitted as evidence of non-obviousness. None of the affidavits refer to the art applied in the current rejections, nor do they provide objective evidence of commercial success or long felt need.

PRINCIPLES OF LAW

*Obviousness*

A claimed invention is unpatentable if the differences between it and the prior art are “such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. § 103(a) (2000). See *KSR Int’l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). See also *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: “[ (1) ] the scope and content of the prior art are to be determined; [ (2) ] differences between the prior art and the claims at issue are to be ascertained; and [ (3) ] the level of ordinary skill in the pertinent art resolved.” 383 U.S. at 17. See also *KSR*, 550 U.S. at 406. “The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* at 416.

ANALYSIS

*Claims 1, 10-13, 47-49, 51-52, 64-65, 94, 100-103, 137-139, 141-142, 154-155, 204, 207-230, 232-238, 246, 250, 255, 259-282, 284-290, 298, 302, 308-331, 333-339, 347, and 351 rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day.*

*Independent Claims 207, 259 and 308*

The first argument that the references do not disclose the receipt<sup>2</sup> of third party purchase records from buyer entities requires us to first construe the phrases “third party purchase record” and “receiving data from each of ... buyer entities.” The disclosure contains no lexicographic definition of a third party purchase record” but does refer to purchases listed from a plurality of independent third parties in the proof of purchase records. FF 01. The plain meaning of the phrase is a purchase record from or associated with a third party.

A purchase record is simply the noun “record” modified by the noun adjective “purchase” and is therefore a record indicative of some purchase. We find that because the adjective “purchase” is not further limited, the purchase may be real or imagined and prospective, current, or retrospective in scope.

The phrase “third party” is more ambiguous. On its face, the phrase refers to a party other than two parties. The claim refers to buyer entities and third party advertisers. By implication, the buyer entities must be one of the first two parties and the third party advertisers are third parties. Thus the

claim does not specify a second of the first two parties. The Specification does not refer to first or second parties as such. Thus, the scope of parties who might be third parties is ambiguous. However, it is reasonably clear that the supplier of a prior purchase is a third party because this is provided as an example. FF 01.

The phrase “receiving data from each of ... buyer entities” requires that data be received somewhere and that the data be in some manner from buyer entities. The phrase does not limit the manner of receipt or how directly or indirectly the receipt is obtained from buyer entities. It is clear that any historical records of purchases by a buyer are from the buyer executing a purchase transaction as a buyer entity. The somewhere the records are received from is the transaction site.

Having construed the terms at issue, we now compare the limitation to the prior art. Goldhaber does obtain purchase transaction history data, which is included among its profile data that is available for search. FF 05. This data is obtained from the customer by software agents tracking all buy and sell transactions. FF 09. Because the historical transactions are by the various vendors the purchaser bought from, the vendors of those historical purchases are third parties and the purchase records maintained by Goldhaber are accordingly third party purchase records. Thus, we find that Goldhaber describes receiving third party buyer records from buyer entities as in limitation [1].

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<sup>2</sup> The Appellant’s argument uses the word “submission” (App. Br. 33-34) but claim 207’s limitation actually has the word “receiving.”

As to limitation [4], Goldhaber describes the existing practice of offering incentives, such as coupons to purchasers. FF 11. Goldhaber also makes such offers of cash or coupons with attention bidding derived from access to the viewer's profiles that results in ads targeted to an individual consumer's needs, interests and preferences. FF 10. These viewer profiles include the above third party purchase data. FF 05. As found by the Examiner, one of ordinary skill would have considered making such third party purchase data that is already present in Goldhaber the condition precedent to offering the coupons in Goldhaber. Ans. 29. It was known, as described by Weinblatt that in consumer monitoring programs such as that of Goldhaber, the value of the reward is enhanced if it is targeted by customizing the reward to the purchases that have been made. FF 15. Thus, knowing the purchases would be a condition precedent to making a customized offer.

For these reasons we find the Appellant's arguments unpersuasive. To the extent the Appellant relies on arguments that were made with regard to the narrower claim 1 in support of claim 207 without specifying which arguments were to be considered, we consider the claim 1 arguments next.

*Independent Claims 1, 94, and 204*

Argument (1) - Goldhaber does not disclose the receiving step [1]. This is the same argument presented with claim 207 *supra* and we find it unpersuasive for the same reasons. In particular, the Appellant again paraphrases the limitation as the buyer submitting data (App. Br. 20: First full ¶); whereas the claim limitation is that of receiving data from a buyer. The Appellant argues that Goldhaber's system submits the data. This ignores the plain fact that the buyer caused those records to be created.

1 Again, the claim does not restrict the manner or level of indirection with  
2 which such receipt occurs.

3 Limitation [1] in claim 1 contains two additional limitations beyond that  
4 in claim 207 that the Appellant argues. In claim 1, the payment of the third  
5 party purchase data was not carried out by the system and the data receipt is  
6 on the initiative and with the consent of the buyer.

7 As to payment not through the system, the Examiner found that this term  
8 is ambiguous because the bounds of the system are not circumscribed in the  
9 claim. Clearly it cannot mean any system, because the totality of all  
10 commerce is a single system, which would render the claim internally  
11 inconsistent. Therefore the issue is whether there are at least two  
12 subsystems with some separation from one another that encapsulate the data  
13 gathering and the payment as claimed. This is essentially what the Examiner  
14 found. Ans. 19. Goldhaber discloses the use of software sales agents that  
15 seek sales opportunities. Each such agent is a system cooperating with other  
16 agents. FF 09. Goldhaber also describes a trading house system that would  
17 generate such purchase records. FF 08. Further, Goldhaber describes a  
18 clearinghouse as a yet different system for processing payment. FF 07.  
19 Thus, there are at least two subsystems that would generate and access the  
20 purchase records that are separate from the payment subsystem.

21 As to data receipt is on the initiative and with the consent of the buyer,  
22 Goldhaber's system is voluntarily subscribed to by the customers and they  
23 have the ability to delete records not desired in the data. FF 05 and 06.

24 The argument that Weinblatt does not remedy the third party purchase  
25 record deficiency of Goldhaber is irrelevant as we found that Goldhaber has

1 no such deficiency, at least within the breadth of the claims as properly  
2 construed. The Appellant refers to the Examiner's findings that Weinblatt  
3 describes methods by which such data could be mechanically generated and  
4 the reasons why one of ordinary skill would desire to obtain such data. Ans.  
5 6. Thus, the Examiner was merely adding evidence cumulative to that  
6 already within Goldhaber.

7 The Appellant also argues there is no reason to combine Weinblatt with  
8 Goldhaber (App. Br. 23:Bottom ¶). However, Weinblatt is directed to  
9 obtaining and storing information on the purchasing behavior of a consumer  
10 as well as advertisements to which the consumer has been exposed (FF 14)  
11 and so its descriptions of mechanisms for how to enter such data and the  
12 reasons for wanting such data are useful implementation and scope details  
13 toward Goldhaber's use of such data.

14 As to the offering step in limitation [4], again we found that Goldhaber  
15 and Weinblatt describe the existing practice of offering incentives, such as  
16 coupons to purchasers, and we found that the condition precedent was at  
17 least predictable to one of ordinary skill in the analysis of claim 207. The  
18 Appellant emphasizes the preferential nature of the claimed incentive. App.  
19 Br. 24-26. Weinblatt describes customizing such incentives based on actual  
20 purchases. FF 15. Customization designed to a specific customer implies  
21 the custom incentive is not generic, i.e. one that is normally and publicly  
22 accessible, to that customer or any other, in the same geographic region on  
23 terms which are at least objectively equivalent, and which does not include  
24 material conditions that are different from whatever gave rise to the  
25 incentive. Certainly the rationale behind customization of increasing the

1 value to a specific customer leads one of ordinary skill to consider incentives  
2 that are not those ordinarily available.

3 The Appellant further argues that the claim requires that the advertised  
4 products are either manufactured or marketed or distributed or provided by  
5 the advertiser but that manufacture, marketing, distribution, payment or  
6 provision is not carried out by the system in the ordinary course of business.  
7 The Appellant contends that in Day, the advertised products are all  
8 distributed by the system. App. Br. 26-27. As we found *supra*, there are at  
9 least two subsystems that would generate and access the purchase records  
10 that are separate from the payment subsystem. Similarly, the subsystem for  
11 actual physical distribution would differ from the subsystem that would  
12 generate and access the purchase records. More to the point, the reference to  
13 these activities is in the form of a series of alternative limitations. It is  
14 sufficient that at least one of the manufacture, marketing, distributions, point  
15 of sale payment or provision be not carried out by the system. The  
16 Appellant has not argued that manufacturing is carried out by any system in  
17 any of the references and we find that none of the systems in the references  
18 carry out such manufacture.

19 The Appellant further argues that Day does not describe the decision  
20 being based on purchase data from a merchant other than the merchant  
21 offering the incentive. App. Br. 27. As we found with claim 207, the  
22 purchase data are historical transactions by the various vendors the  
23 purchaser bought from in Goldhaber and so at least some of the historical  
24 data would be from a merchant other than the one offering an incentive.



1 The Appellant also argues that physically combining Day with  
2 Goldhaber and Weinblatt would cause merchants to participate in having  
3 other merchants poach their own customers. App. Br. 28-29.

4 "The test for obviousness is not whether the features of a secondary  
5 reference may be bodily incorporated into the structure of the primary  
6 reference. . . . Rather, the test is what the combined teachings of those  
7 references would have suggested to those of ordinary skill in the art." *In re*  
8 *Keller*, 642 F.2d 413, 425, (CCPA 1981). *See also In re Sneed*, 710 F.2d  
9 1544, 1550 (Fed. Cir. 1983) ("[I]t is not necessary that the inventions of the  
10 references be physically combinable to render obvious the invention under  
11 review."); and *In re Nievelt*, 482 F.2d 965, (CCPA 1973) ("Combining the  
12 teachings of references does not involve an ability to combine their specific  
13 structures.").

14 It is the description of how to track consumer purchasing behavior with  
15 customized targeted offers for specific customers in Day that the Examiner  
16 found to be applied to Goldhaber, not the physical system in Day. In  
17 Goldhaber no such poaching would occur because Goldhaber's system  
18 rather than a merchant tracks the behavior.

19 The Appellant also argues the lack of motivation to combine the  
20 references. The Appellant contends such a combination presents a conflict  
21 among marketers. App. Br. 29. As the Appellant acknowledges, the  
22 Examiner did make findings as to why one of ordinary skill would have  
23 combined the references. Thus, the Appellant's argument goes to  
24 overcoming the initial finding of obviousness. However, the Appellant's  
25 argument here is essentially the same as the argued problem with physically  
26 combining the references just discussed and again, physical incorporation is

not what the Examiner found, but rather incorporating the behavioral findings supporting customizing incentives found in the two secondary references.

Finally, the Appellant refers us to the five declarations submitted as evidence of non-obviousness. None of the declarations refer to the art applied in the current rejections, nor do they provide objective evidence of commercial success or long felt need of the claimed subject matter. FF 24. Although each of the Declarants opine as to the non-obviousness relative to the art of which they were aware, without Thus, these declarations provide at best nominal weight to offset the heavier weight of the evidence supporting the Examiner's prima facie case of obviousness. The balance must rest with a finding of obviousness.

Thus, we find the Appellant's arguments unpersuasive.

*Claims 10 and 100, 12 and 102, 13 and 103, and 47 and 137*

The Appellant argues the Examiner did not make findings as to motivation to combine. App. Br. 30-31. The Examiner made such findings. Ans. 10-11.

*Claims 11 and 101*

Claim 11 requires obtaining follow up information. The Examiner found this in Day. Ans. 10. We agree. FF 18.

The Appellant argues that Day would not allow information from other vendors. This argument is not commensurate with the scope of the claim. The limitation added by claim 11 does not recite which vendor receives which follow up information.

*Claims 48, 49, and comparable claims 138 and 139*

Claim 48 requires determining if a recalculated score qualifies a buyer entity for an on-going incentive. Claim 49 requires recalculating an incentive by applying a recalculated score of a buyer to an incentive function or algorithm. The Examiner found these in Day. Ans. 12. We agree. FF 19.

The Appellant argues that Day rewards a customer for not purchasing, and that Day would not need the recalculation of claim 49. App. Br. 31-32. These arguments are not commensurate with the scope of the claims. The limitation added by claim 48 does not recite determining whether a buyer makes or does not make a purchase. Whether Day needs to perform a recalculation is not pertinent where Day implicitly does perform a recalculation as found by the Examiner and as in FF 18. Claim 49 does not specify the nature of the recalculation, so Day's value increase would be an instance of such a recalculation.

The Appellant also argues the Examiner did not make findings as to motivation to combine. *Id.* The Examiner made such findings. Ans. 12.

*Claims 51, 52, and comparable claims 141 and 142*

Claim 51 requires the incentives be provided across multiple distribution channels. The Examiner found this in Goldhaber. Ans. 12. We agree. FF 13.

Claim 52 requires receiving additional information that one of the buyers visited a predetermined web site; and recalculating one of the scores that buyer to increase the score based on additional information. The Examiner

found the activities in Goldhaber applied to claim 1 implicitly included such visits and recalculations. Ans. 12. We agree.

The Appellant argues that the modes of distribution in Goldhaber are not those defined in the Specification. App. Br. 32. The Appellant does not cite where such a definition is to be found. The only portion of the Specification we find referring to the channels argued by the Appellant is a list of exemplary channels, including the phrase “and thru other channels” and is therefore not a limiting definition. FF 03. The Appellant also argues adding web visit data as in Goldhaber is different from adding such data in the claimed invention. App. Br. *Id.* Whether there is some unclaimed difference is not pertinent. Goldhaber meets the broadly defined limitations of claim 52.

The Appellant also argues the Examiner did not make findings as to motivation to combine. App. Br. *Id.* The Examiner found these limitations in the primary reference.

*Claims 64, 65, and comparable claims 154 and 155*

Claim 64 requires asking a buyer to rate a product or service item only if the purchase record indicates that a purchase of the item to be rated has been or might have been made and claim 65 requires weighting the ratings according to money spent. The Examiner found these in Goldhaber. Ans. 13. The Appellant argues that Goldhaber describes rating advertisements, not products purchased. App. Br. 33. Here we must agree with the Appellant. Goldhaber 13:50-51 cited by the Examiner does not describe rating products as required by claims 64 and 65.

*Claims 209-228 and comparable claims 260-280 and 309-329*

1        These claims add various limitations found in independent claim 1 to the  
2        broader claim 207. Accordingly we agree with the Examiner that the art  
3        describes these claims for the same reasons as with claim 1 *supra*. The  
4        Appellant's arguments are essentially the same as those in support of claim  
5        1. We find those arguments unpersuasive for the same reasons as in claim 1.  
6        *Claims 229, 281, and 330*

7        Claim 229 requires that the decision making include determining a  
8        function and budget-related limit associated with at least one of the  
9        incentives,  
10       receiving newly-submitted purchase records with the condition precedent  
11       that the function and budget-related limit has been determined; automatically  
12       making a new decision based at least in part on the function, the budget  
13       limit, and the newly- submitted purchase records; distributing the incentive  
14       based at least in part on the new decision; and halting the distributing when  
15       the budget-related limit is met.

16       The Appellant argues that Day, put forth by the Examiner for these  
17       limitations, does not describe such a budget related limit. Day describes  
18       setting a maximum quantity that may be provided in a special offer. Once  
19       the maximum is reached, no more offers are provided. FF 18. The  
20       Appellant argues Day does not limit the advertising expenditures. App. Br.  
21       37. The claim does not narrow the budget to expenditures. Those of  
22       ordinary skill in the accounting arts knew that budgets were drawn to any  
23       quantitative constraint, including outputs. Thus, a maximum for the  
24       quantitative number offered was a budget for such offers.

1 The Appellant further argues that Day's targeting parameters are not  
2 incentive functions because Days does not disclose calculating weighted  
3 factors. Claim 229 does not recite such weighted factors, and so this  
4 argument is unpersuasive. Finally, the Appellant argues that Day does not  
5 disclose third party purchase records and that no motivation was provided.  
6 But, again, Goldhaber was applied for such records, and as the Examiner  
7 stated, the motivation was provided in the independent parent claim. Ans.  
8 53.

9 *Claims 230 and 232, and comparable claims 282, 283, 331, and 332*

10 Claim 230 requires that the decision making be based on potential  
11 audience, incentive definition, and parameter information. The remainder of  
12 the limitations, are similar to those in the parent claim. The Appellant  
13 argues the Examiner has not cited portions of the art describing these. The  
14 Appellant has not argued why these citations do not show the limitations, but  
15 has merely asserted they do not. The Appellant also argues the Examiner  
16 has not described motivation to combine the features. App. Br. 54. The  
17 Examiner cites Day 4:18-31; 14:52-56; and 6:57-60. We agree with the  
18 Examiner. Day describes using targeting parameters to decide on offers.  
19 These parameters are applied to information on potential customers. FF 20.

20 Claim 232 requires making the decision to offer an incentive based on  
21 whether the buyer previously accepted an offer. This is found in Day. FF  
22 19. The Appellant argues the Examiner provided no motivation to combine  
23 Day with Goldhaber. App. Br. 38.

24 As the Examiner stated, the motivation for both claims 230 and 232 was  
25 provided in the independent parent claims. Ans. 38.

1 *Claims 233, 284, and 333*

2 Claim 233 requires obtaining multiplier-effect-information on said buyer  
3 entity. The Appellant argues that Day only describes in store purchase  
4 amounts, not the referral potential called for in claim 233. App. Br. 38. We  
5 agree with the Appellant. The Examiner has not referred to the multiplier-  
6 effect-information in the analysis and accordingly has failed to present a  
7 prima facie case.

8 *Claims 234, 235, and 246, and comparable claims 286, 287, 298, 335, 336,*  
9 *and 347*

10 Claim 234 requires calculating and presenting a measure indicating the  
11 amount of benefits available to the buyer based on the information stored  
12 about the buyer. Claim 235 requires the decision being made at least in part  
13 based on the location of a wireless device. Claim 246 requires calculating a  
14 price for the offering based on buyer information. The Examiner took  
15 official notice of the notoriety of presenting information and of calculating  
16 the cost of promotions. Ans. 55-56. The Appellant argues that the Official  
17 Notice is improper. App. Br. 39-40. The Appellant has provided no reason  
18 that the facts so noticed by the Examiner were not well known, and has  
19 therefore improperly traversed the Official Notice. The Appellant has not  
20 provided any arguments that the remainder of the claims were not described  
21 by the prior art. Accordingly the argument that the Official Notice was  
22 improper is unpersuasive.

23

24

1 *Claims 236, 237, and 250, and comparable claims 288, 289, 302, 337, 338,*  
2 *and 351*

3 Claim 236 requires making a decision based on manual input. Claim  
4 237 requires making a decision based on browsing behavior. Claim 250  
5 requires sending buyer information to a third party after authorization. The  
6 Examiner applied Weinblatt's entry of information on a card. Ans. 15. *See*  
7 *also* FF 16. The Appellant argues this is not manual input. App. Br. 39-40.  
8 We agree with the Examiner. Entry of information on a card requires either  
9 manually swiping a card or keying in the data printed on the card. Either  
10 mode requires manual performance. As to claims 237 and 250, the  
11 Appellant again argues the Examiner provided no motivation. App. Br. 40.  
12 The Examiner responded that the limitations were found in the primary  
13 reference. Ans. 56-57. The Appellant also alleged that the Examiner failed  
14 to make finding as to where the limitations of claim 50 were found. App.  
15 Br. 40. We disagree with the Appellant. The Examiner found the  
16 limitations to be described by Goldhaber 8:16-18. Ans. 57.

17 The remaining claims without any arguments made specifically to  
18 themselves fall with claim 207.

19 *Claims 68 and 158 rejected under 35 U.S.C. § 103(a) as unpatentable over*  
20 *Goldhaber, Weinblatt, Day, and Dedrick.*

21 Claim 68 requires calculating a charge for providing the incentive based  
22 on both the size of a group of buyer entities resulting from a search of the  
23 stored data and the scores of the buyer entities. The Appellant argues that  
24 none of the portions of the art cited by the Examiner describe this limitation.  
25 App. Br. 36. The Examiner found charging for promotions at Goldhaber



8:59-61 and a fee based on buyer scores for buyers getting incentives described by Dedrick 5:20-30. Ans. 57-58.

Here we must agree with the Appellant. The Examiner has not described any of the art as actually describing the limitations of claim 68, but only parts of the limitations. The Examiner has made no findings that the art describes calculating a charge based on the size of a group of buyers. Therefore, the Examiner has failed to present a prima facie case.

*Claims 206, 231, 252-254, 256-258, 283, 304-306, 307, 308-310, 332, 353-355, 356, and 357-359 rejected under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art.*

*Independent Claim 206*

As to the argument based on the patentability of claim 1, this is unpersuasive for the same reasons as in the analysis of claim 1 *supra*. As to the argument that none of the art describes the limitation of gathering buyer information by automatically accessing web-based online buyer accounts using buyer passwords and usernames, we must agree with the Appellant. The Examiner cites Goldhaber 6: 50-65 and 8:40-53 plus the bulk of Goldhaber in col. 13-20. None of these portions describe automatically accessing the buyer accounts to receive the purchase information using the buyer username and passwords. In Goldhaber, the user must logon using a username and password to create the data. Goldhaber is silent as to what password security might impede the software agents. The Examiner has failed to present a prima facie case as to this limitation.

1 *Claims 231, 252-254, 256-258, and comparable claims 283, 304-306, 308-*  
2 *310, 332, 353-355, and 357-359*

3 Claim 231 requires access the buyer accounts to retrieve information, but  
4 without the use of username and password in claim 206. Goldhaber's  
5 software agents obtain the requisite permission to retrieve such information.  
6 FF 09.

7 Claim 252 requires supplementing the information. The Examiner found  
8 this in Day. Ans. 17. *See also* FF 19.

9 Claim 253 requires accumulating purchase amounts and rewarding a  
10 buyer if the cumulative amount passes a threshold. The Examiner relied on  
11 Official Notice to add purchases over time and reward for going over a  
12 threshold. Ans. 17. The Appellant argues that the Official Notice is  
13 improper. App. Br. 42. The Appellant has provided no reason that the facts  
14 so noticed by the Examiner were not well known, and has therefore  
15 improperly traversed the Official Notice. The Appellant has not provided  
16 any arguments that the remainder of the claims were not described by the  
17 prior art. Accordingly the argument that the Official Notice was improper is  
18 unpersuasive. Given that Goldhaber already describes rewarding purchase  
19 behavior, it was predictable to increase the award for greater levels of  
20 purchase behavior.

21 Claim 254 requires sending an offer in return for access. The Examiner  
22 found that Goldhaber described a buyer authorizing transfer of its purchase  
23 histories from multiple merchants to the system. The Examiner did not  
24 provide a citation to such a finding and we are unable to discern a portion of

Goldhaber meeting this limitation. Accordingly, we agree the Examiner erred in rejecting claim 254 and comparable claims 306 and 355.

Claims 256-258 are composites of claims 229-231 and the Appellant relied on the arguments of those claims. Accordingly, claims 256-258 fall with claims 229-231.

The remaining claims without any arguments made specifically to themselves stand or fall with their parent claims. None of the remaining claims depend from a claim whose rejection we reverse.

#### CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 1, 10-13, 47-49, 51-52, 94, 100-103, 137-139, 141-142, 204, 207-230, 232, 234-238, 246, 250, 255, 259-282, 285-290, 298, 302, 308-331, 334-339, 347, and 351 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day.

The Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 64, 65, 154, 155 233, 284, and 333 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day.

The Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 68 and 158 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and Dedrick.

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 231, 252-253, 256-258, 283, 304-305, 307, 308-310, 332, 353-354, 356, and 357-359 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art.

The Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 206, 254, 306, and 355 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art.

#### DECISION

To summarize, our decision is as follows:

- The rejection of claims 1, 10-13, 47-49, 51-52, 94, 100-103, 137-139, 141-142, 204, 207-230, 232, 234-238, 246, 250, 255, 259-282, 285-290, 298, 302, 308-331, 334-339, 347, and 351 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day is sustained.
- The rejection of claims 64, 65, 154, 155 233, 284, and 333 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, and Day is not sustained.
- The rejection of claims 68 and 158 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and Dedrick is not sustained.
- The rejection of claims 231, 252-253, 256-258, 283, 304-305, 307, 308-310, 332, 353-354, 356, and 357-359 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art is sustained.
- The rejection of claims 206, 254, 306, and 355 under 35 U.S.C. § 103(a) as unpatentable over Goldhaber, Weinblatt, Day, and admitted art is not sustained.

1       No time period for taking any subsequent action in connection with this  
2       appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

3

4

AFFIRMED-IN-PART

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